

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ADMINISTRATION ON AGING

**House Committee on Appropriations
Subcommittee on Labor, Health and Human Services,
Education, and Related Agencies**

**Hearing on FY 2005 President's Budget
Wednesday, March 17, 2004
10:15 a.m.**

PRINCIPAL WITNESS:

**Josefina G. Carbonell
Assistant Secretary for Aging
Administration on Aging**

Good morning, Mr. Chairman, and members of the Subcommittee. I am pleased to be here today to discuss the President's Fiscal Year (FY) 2005 budget request of \$1.377 billion in discretionary budget authority for the Administration on Aging (AoA).

This is a dynamic time for AoA. This Administration is committed to working with the Congress to make fundamental changes in the long-term care system by developing more home and community-based care options, and to making prevention a key element of our strategy for ensuring the health of older people. Our FY 2005 budget request advances these priorities while maintaining funding for the core formula grant programs – nutrition, supportive, and caregiver services – that represent the majority of our budget. Data show that our core programs are making a real difference by helping to prevent seniors from losing their independence. Examples from our State program report data and client outcome surveys show that:

- Services are targeted to vulnerable seniors – for example, 85% of homemaker service clients have incomes under \$10,000, and 79% of home-delivered meal clients have three or more limitations in activities of daily living.
- Services are supported by States and communities – even when faced with an economic downturn and tight budgets, States and communities continue to leverage \$2 for services for every dollar of AoA funding.
- Services help seniors to stay at home – 38% of transportation service clients rely on them for “virtually all” of their transportation needs; and 86% of caregivers reported that services enabled them to provide care longer.

While our core programs remain the focal point of our efforts, we are working to transform AoA from an agency devoted primarily to making formula grants to States to

an agency that is focused on aging policy and service innovation. Seniors have told us, over and over, that they want to live more independent and active lives, and AoA is working to provide them with the tools they need to make that a reality. I am proud of the accomplishments that AoA has made toward these goals, such as:

- Implementing and expanding the National Family Caregiver Support Program, which is directly assisting 440,000 caregivers to keep a loved one at home.
- Establishing Aging and Disability Resource Centers in 12 States, which are creating “one-stop shop” entry points to long-term care services.
- Launching 12 evidence-based prevention projects to demonstrate how aging services providers can improve the health of vulnerable seniors.
- Refocusing our national resource centers to provide more information to consumers and to enhance technical assistance to the aging services network.

These examples highlight our efforts to help the aging services network build the capacity to help our clients remain independent. As part of these efforts, we have redirected our discretionary funds into targeted investments that will buttress our core programs and help to guide the transformation of the long-term-care system, integrate services at the community level, support family caregivers, and promote healthy and active aging. Our budget requests an additional \$7 million for these activities. The lessons learned from these innovative demonstrations are used by our State and local service programs to help them run even more efficiently and effectively. Our budget also reflects our efforts to build partnerships – both Federal and non-Federal – to improve service coordination and effectiveness and to maximize the return on our resources. These efforts are mirrored at the community level, where our aging services

network is closely integrated with related programs such as the Senior Community Services Employment program and Senior Corps volunteer activities that are funded by other agencies here today on our panel.

This morning I will address three of my strategic priorities, which underlie my vision of creating communities that help seniors to remain independent. These priorities are to improve consumer access to an integrated array of health and social supports; help families to care for their loved ones at home; and ensure that elders are encouraged to live active and healthy lives.

Improving Access to Health and Social Supports and Assisting Family Caregivers

We know that if given a choice, the vast majority of seniors would prefer to “age in place” in their own homes. As part of the Department’s efforts to rebalance the long-term care system and provide more opportunities for community living, AoA has invested in steps to help seniors and their estimated 23 million caregivers to access the health and social supports they need to remain at home for as long as possible.

The centerpiece of our efforts is our partnership with the Centers for Medicare and Medicaid Services (CMS) on the new Aging and Disability Resource Center initiative. These centers will serve seniors and persons with disabilities and help empower them to make informed choices about their long-term care options – both public and private. Centers will offer families a broad array of services, including information, counseling, and streamlined access to long-term supports including Medicaid, Older Americans Act, and State programs; long-term care insurance; and low-cost supportive services that can be purchased in the private sector. For example, in Pennsylvania the center will

work to create a single, local level entry point for long-term care services and to develop a single application for services. Centers will also assist consumers to “plan ahead” for their long-term care needs and to learn about prevention programs that can help them to maintain their health as they age. In FY 2003, AoA and CMS funded resource centers in 12 of the 39 States that applied for grants, and we will fund an additional 12 States in FY 2004. For FY 2005, AoA is requesting \$11 million (an increase of \$6 million), and CMS is requesting \$5 million, to bring the number of States participating in the program up to as many as 42.

Complementing the resource centers, AoA has also established a number of other partnerships – both Federal and non-Federal – to help advance our rebalancing initiative and assist family caregivers. For example, we are working with our partners in the Department and the:

- National Governors Association to help States analyze and develop strategic action plans to rebalance their long-term care systems;
- National Conference of State Legislatures to educate State lawmakers about ways to promote more balanced systems of long-term care;
- Robert Wood Johnson Foundation to replicate the Cash and Counseling model of consumer direction, which provides participants with monthly budgets and allows them to purchase the services they need; and
- Federal Transit Administration to expand options and enhance coordination of transportation services for older Americans.

By coordinating services and pooling resources, these partnerships allow us to improve program performance, thereby assisting more seniors to remain independent

and enabling more caregivers to provide care longer than they otherwise could have. In FY 2005, AoA is requesting an additional \$1 million for activities that support these efforts to expand access to long-term care, develop citizen-centered and integrated systems of care, and assist seniors to lead active and healthy lives.

Promoting Healthy and Active Aging

A key component of our strategy is providing people with the tools they need to prevent or delay the onset of chronic disease and disability so they can remain healthy and active as they age. Secretary Thompson has made prevention and health promotion one of his most important priorities. AoA's programs play a critical role in these efforts by making preventive health services available to seniors at the community level.

Under our new Evidence-Based Disease Prevention initiative, AoA has invested \$2.5 million to demonstrate how aging service providers can effectively deliver low-cost interventions that can reduce seniors' risk of disease and disability. This initiative will utilize the results of scientific research, including research conducted by the National Institute on Aging (NIA), the Centers for Disease Control and Prevention, and by other HHS and private research entities, to design and implement evidence-based programs in five areas – fall prevention, sound nutrition, physical activity, medication management, and disease self-management. For example, a project in Connecticut will use the results of NIA sponsored research on fall prevention to develop an intervention program that can be delivered effectively through senior centers. Projects will be carried out as public-private partnerships between community aging service providers, area agencies on aging, local health agencies, and research organizations. Many of the

projects will also target services to vulnerable populations and those with special needs. As I know from my own experiences as a provider, these linkages are critical in effectively providing health services through a social services setting. We have funded 12 demonstration projects in FY 2003, and our budget request includes funding to continue these projects in FY 2004 and FY 2005.

Our partnerships with other agencies are equally critical to achieving our goals of helping seniors to live active lifestyles. We are excited to be joined here today by our colleagues from NIA, with whom we are collaborating on several fronts to advance the Secretary's prevention priority. This partnership includes putting into practice, as part of our Alzheimer's grants to States, the results of NIA research on interventions that can support and extend the efforts of caregivers assisting family members with Alzheimer's disease. Another example of our collaborations is the You Can! Campaign, a national outreach campaign that we will launch next month along with NIA and other partners to provide local communities with the tools to encourage older people to eat better and exercise more.

Maintaining Support for Effective Core Programs

The FY 2005 budget request maintains funding for most of our core programs at levels that are about equal to both FY 2003 and FY 2004. It provides \$719 million for nutrition programs, which in FY 2002 provided over 253 million meals to seniors at home and in congregate settings. Our budget includes \$541 million for grants to States for other home and community-based services, including supportive and preventive health services and services to family caregivers. Services provided by these programs

in FY 2002 included almost 40 million rides, over 20 million hours of in-home services, and 4 million caregiver information and outreach contacts. The request allocates almost \$27 million to grants for nutrition and supportive services for Native Americans. It also provides over \$43 million for activities which protect and support vulnerable populations – including persons with Alzheimer’s disease – and provide information and assistance to the aging network, seniors, and their families.

Conclusion

Finally, our request for FY 2005 includes \$4.6 million for second year activities for a White House Conference on Aging, and \$18.5 million in administrative funds – which represents approximately 1% of our total budget – to help us improve program management and assist States and communities to implement our shared vision of creating communities that help seniors to remain independent.

I began by noting that this is a dynamic time for AoA, and I want to close by saying that we look forward to embracing the opportunities that lie ahead of us. As we near the 40th anniversary of the Older Americans Act in July 2005, I am confident that the improvements we have made in program quality and performance, and the investments and partnerships we are undertaking today, are readying the aging services network to meet the needs of the elders of tomorrow. Our goal is to empower every senior to make the choices necessary to allow them to live healthy, active, and independent lives.

Thank you for the opportunity to participate on today’s panel. I have appreciated the Committee’s support of AoA in the past and I look forward to working with you in the future. I am happy to answer any questions you may have.

JOSEFINA G. CARBONELL
ASSISTANT SECRETARY FOR AGING
DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION ON AGING

Josefina G. Carbonell was appointed by the President and sworn in as Assistant Secretary for Aging at the Department of Health and Human Services (HHS) on August 8, 2001.

As the Assistant Secretary for Aging, Ms. Carbonell is a strong advocate for older Americans and their concerns. She is dedicated to preparing America to meet the challenges and to maximize the opportunities presented by the longevity of its people. Her priorities include ensuring that Administration on Aging and the Aging Services Network continue to play a leadership role in shaping our evolving health and long term care system on behalf of older people; helping older people to stay active and healthy; supporting families in their efforts to care for their loved ones at home and in the community; and ensuring the rights of older people.

Prior to joining HHS, Ms. Carbonell was President and CEO of the largest Hispanic geriatric health and human service organization in the nation – Little Havana Activities & Nutrition Centers (LHANC) in Dade County, Florida. Through her leadership, coupled with sound management skills, she helped establish this successful network of 21 sites, serving more than 55,000 registered clients.

Ms. Carbonell is nationally recognized as a person of compassion and action and is the recipient of numerous awards, including one of the Hispanic Business 100 Most Influential Hispanics in 2002. She has also been the recipient of the 2001 Claude Pepper Community Service Award, the 1997 Social Security Administration Commissioner's Team Award, the 1997 United Way Monsignor Bryan Walsh Outstanding Human Service Award, the 1995 National Alliance for Hispanic Health Community Service Award, the Miami Herald Charles White Spirit of Excellence Award in 1993, and the 1992 Miami Citizen of the Year Award. She has served on numerous boards, including Excellence in Long Term Care, Aging with Dignity, the National Coalition of Hispanic Health and Human Services Organization and the National Committee to Preserve Social Security and Medicare.

Ms. Carbonell attended Florida International University and was the recipient of a fellowship in health management at the John F. Kennedy School of Government at Harvard University, and is an alumnus of the Program for Senior Executives in State and Local Government.

Born in Cuba, Josefina Carbonell is a devoted daughter to her parents and proud mother to her son, Alfredo, a physician practicing in North Carolina.

**Department of Health and Human Services
Office of Budget**

William R. Beldon

Mr. Beldon is currently serving as Acting Deputy Assistant Secretary for Budget, HHS. He has been a Division Director in the Budget Office for 16 years, most recently as Director of the Division of Discretionary Programs. Mr. Beldon started in federal service as an auditor in the Health, Education and Welfare Financial Management Intern program. Over the course of 30 years in the Budget Office, Mr. Beldon has held Program Analyst, Branch Chief and Division Director positions. Mr. Beldon received a Bachelor's Degree in History and Political Science from Marshall University and attended the University of Pittsburgh where he studied Public Administration. He resides in Fort Washington, Maryland.